

MONTANA LEGISLATIVE HISTORY

Chapter 413 19 85

Bill H 263 S _____ Original bill & history ✓ C

H. Committee on Business & Labor

S. Committee on Local Gov.

Hearing Date(s) 1-22 ✓ C

Hearing Date(s) 3-9 ✓ C

1-23 ✓ C

_____ C

1-24 ✓ C

_____ C

_____ C

_____ C

Date Out _____ C

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

HOUSE FINAL STATUS

4/02	2ND READING AMENDMENTS CONCURRED	92	1
4/03	3RD READING AMENDMENTS CONCURRED	97	0
4/08	SIGNED BY SPEAKER		
4/08	SIGNED BY PRESIDENT		
4/09	TRANSMITTED TO GOVERNOR		
4/10	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 426 EFFECTIVE DATE: 1/1/86		
HB 261	INTRODUCED BY SIMON, ECK, O'HARA, ET AL. ANNUAL TRANSFER OF 1% OF ALL-BEVERAGES LICENSES WITHOUT REGARD TO QUOTAS		
	1/18	INTRODUCED	
	1/18	REFERRED TO BUSINESS & LABOR	
	1/23	HEARING	
		DIED IN COMMITTEE	
HB 262	INTRODUCED BY LORY, ECK, ET AL. MOVING PRIMARY ELECTION TO SEPTEMBER, ELIMINATING PRESIDENTIAL PRIMARY		
	1/18	INTRODUCED	
	1/18	REFERRED TO STATE ADMINISTRATION	
	1/24	HEARING	
	2/12	ADVERSE COMMITTEE REPORT	
	2/13	BILL KILLED	89 9
HB 263	INTRODUCED BY PISTORIA LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE ACCOUNTS		
	1/18	INTRODUCED	
	1/18	REFERRED TO LOCAL GOVERNMENT	
	1/19	REFERRED TO BUSINESS & LABOR	
	1/22	HEARING	
	1/24	COMMITTEE REPORT-BILL PASS AS AMENDED	
	1/26	2ND READING PASS AS AMENDED	85 2
	1/29	3RD READING PASS	95 4
		TRANSMITTED TO SENATE	
	1/30	REFERRED TO LOCAL GOVERNMENT	
	3/09	HEARING	
	3/11	COMM REPORT-BILL CONCURRED AS AMENDED	
	3/13	2ND READING CONCURRED	50 0
	3/15	3RD READING CONCURRED	46 2
		RETURNED TO HOUSE WITH AMENDMENTS	
	4/02	2ND READING AMENDMENTS CONCURRED	91 1
	4/03	3RD READING AMENDMENTS CONCURRED	95 0
	4/08	SIGNED BY SPEAKER	
	4/08	SIGNED BY PRESIDENT	
	4/09	TRANSMITTED TO GOVERNOR	
	4/10	SIGNED BY GOVERNOR	
		CHAPTER NUMBER 413 EFFECTIVE DATE: 10/01/85	
HB 264	INTRODUCED BY PISTORIA REQUIRING BUILDING CONTRACTORS TO PROMPTLY PAY SUBCONTRACTORS, SUPPLIERS		

1 HOUSE BILL NO. 263
2 INTRODUCED BY Pistoria

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL
5 GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE
6 ACCOUNTS."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Definitions relating to interest
10 assessment. As used in [sections 2 and 3], the following
11 definitions apply:

12 (1) "Services" means the furnishing of labor, time, or
13 effort, including construction services, purchased or
14 contracted for by a county or a municipality.

15 (2) "Supplies" means all personal property purchased,
16 leased, or contracted for by a county or municipality,
17 including leases of equipment. The term also includes
18 leases of buildings or other real property by a county or
19 municipality.

20 Section 2. Interest assessed on amounts due.

21 (1) Except as provided in [section 3], a county or
22 municipality shall pay simple interest at the rate of 0.05%
23 each day on amounts due for supplies and services received
24 if the county or municipality fails to make timely payment.

25 (2) For purposes of this section, payment is timely if

1 a warrant is mailed or is otherwise made available to the
2 payee when due and for the amount specified in the
3 applicable contract or agreement. If no date is specified in
4 the applicable contract or agreement, payment is timely if
5 paid within 30 days after receipt of a properly completed
6 invoice, addressed to the payer county or municipality, or
7 receipt of the supplies or services by the county or
8 municipality, whichever is later.

9 Section 3. Exemptions. [Section 2] does not apply to
10 the following:

11 (1) interagency or intergovernmental transactions;

12 (2) claims subject to a good faith dispute;

13 (3) delinquencies due to natural disasters,
14 disruptions in postal or delivery service, work stoppage due
15 to labor disputes, power failures, or any other cause
16 resulting from circumstances clearly beyond the control of
17 the county or municipality;

18 (4) contracts entered into before October 1, 1985; or

19 (5) wages due and payable to county or municipal
20 employees or payments from any retirement system created
21 pursuant to Title 19.

22 Section 4. Definitions relating to interest
23 assessment. As used in [sections 5 and 6], the following
24 definitions apply:

25 (1) "Services" means the furnishing of labor, time, or

1 effort, including construction services, purchased or
2 contracted for by a school district.

3 (2) "Supplies" means all personal property purchased,
4 leased, or contracted for by a school district, including
5 leases of equipment. The term also includes leases of
6 buildings or other real property by a school district.

7 Section 5. Interest assessed on amounts due.

8 (1) Except as provided in [section 6], a school district
9 shall pay simple interest at the rate of 0.05% each day on
10 amounts due for supplies and services received if the
11 district fails to make timely payment.

12 (2) For purposes of this section, payment is timely if
13 a warrant is mailed or is otherwise made available to the
14 payee when due and for the amount specified in the
15 applicable contract or agreement. If no date is specified in
16 the applicable contract or agreement, payment is timely if
17 paid within 30 days after receipt of a properly completed
18 invoice, addressed to the payer school district, or receipt
19 of the supplies or services by the school district,
20 whichever is later.

21 Section 6. Exemptions. [Section 5] does not apply to
22 the following:

- 23 (1) interdistrict or intergovernmental transactions;
24 (2) claims subject to a good faith dispute;
25 (3) delinquencies due to natural disasters,

1 disruptions in postal or delivery service, work stoppage due
2 to labor disputes, power failures, or any other cause
3 resulting from circumstances clearly beyond the control of
4 the district;

5 (4) contracts entered into before October 1, 1985; or

6 (5) wages due and payable to school district employees
7 or payments from any retirement system created pursuant to
8 Title 19.

9 Section 7. Codification instruction. Sections 4
10 through 6 are intended to be codified as an integral part of
11 Title 20, chapter 9, and the provisions of Title 20 apply to
12 sections 4 through 6.

-End-

STATUS SHEET

49TH

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

HOUSE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
233	1-17		REREFERRED TO	AGRICULTURE					
234	1-17	2-11/2-13	2-13		2-13				
236	1-17	2-6	2-6	2-6					
237	1-17								
251	1-18	1-25	1-25			1-25			
261	1-18	1-23/1-25		TABLED					
263	1-19	1-22/1-23 1-24	1-24			1-24			
264	1-18	1-22/1-23	1-23			1-23			
272	1-19	1-28	1-28			1-28			
273	1-19	1-24/2-20		TABLED					
278	1-19	1-28		TABLED					
280	1-19	1-25	1-25			1-25			
284	1-19	1-29/2-5 2-7	2-7			2-7			
285	1-19	1-25	1-25	1-25					
290	1-21		REREFERRED TO	HUMAN SERVICES					
295	1-21	1-30/2-14	2-14			2-14	(SUBCOMMITTEE)		

Use a separate sheet for Senate, House Bills, and Resolutions

Business and Labor Committee
January 22, 1985
Page 3

only if said subsidy would reach the people who need it. It is Mr. Paine's assumption that the bill would apply to every rural subscriber, which would result in a very large class being eligible for this subsidy. This bill is not the answer and would not efficiently take care of those who need the subsidy, added Mr. Paine.

In closing, Representative Nathe pointed out to the committee that it may not be correct to call this protection a subsidy. Representative Nathe asked the committee to table this bill rather than kill House Bill 121.

Representative Bachini asked Representative Nathe what the costs are for oil and propane. Representative Nathe referred the question to Mr. Nelson, who explained that the approximate costs are \$10.00 for propane, \$6.00 for gas, \$8.00 for oil and \$22.00 for electricity.

Representative Kadas asked Mr. Allen if MDU encourages conservation and if so, to what extent. He explained that they do urge conservation and that in one instance the commission issued an order to conduct a study to fit all homes with solar water heaters in Plentywood. The cost would have exceeded 6 million dollars and thus was never carried through.

Representative Schultz asked Mr. Alke what rate is charged by MDU to the co-op's. MDU does not sell to the co-op's, stated Mr. Alke.

Representative Kadas asked Mr. Nathe if he has noticed a tendency for builders or lending institutions to strive for more energy efficient homes. Mr. Nathe stated that they do not and it is taken for granted that storm windows and adequate insulation exist.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 121 was closed.

HOUSE BILL 263: Hearing commenced on House Bill 263. Representative Paul Pistoria, District #36, sponsor of the bill, stated that this bill provides that local

governments and school districts must pay interest on overdue payments. If an invoice is not paid within 30 days, then .05% interest per day will be assessed. This equals an annual interest rate of approximately 18%. Representative Pistoria explained that this is taxpayer's money that pays these bills and they should be paid in a prompt manner. Exhibit 2 attached hereto was distributed amongst committee members.

Proponent, Riley Johnson, representing the National Federation of Business, stated that local, prompt pay is needed. He feels that the problem revolves around the system of these entities and is not that they don't want to pay the bills.

Opponent Chip Erdmann, representing the Montana School Board Association, does not feel there is a problem with paying bills on time. A contractor may set interest at the time the contract is entered into. A witness statement attached hereto outlines further testimony presented.

In closing, Representative Pistoria stated that he wouldn't have introduced this bill if a problem didn't exist. School boards have too much power and this piece of legislation will not hurt the school districts, stressed Representative Pistoria.

Representative Schultz explained that small school districts meet once a month and at times the 30 days may be a problem.

Representative Bachini asked Mr. Johnson how long it has taken him personally to get paid. Mr. Johnson explained that once the school board meets and approves a bill, it can still take 10-15 days to receive payment.

Representative Brandewie asked Mr. Irvin if the school board is required to look at each bill. He stated that the trustee must personally review every invoice and the trustee will be held liable if an invoice is paid that should not have been.

Representative Glaser asked Mr. Irvin if there are provisions in the contract that allow for interest. Mr. Irvin was not sure and Representative Glaser added that he has never seen such a provision.

Representative Keller asked Mr. Johnson if problems arise due to unsatisfactory work. Mr. Johnson explained

that an intimate relationship is had with most clients and you usually know immediately if a problem exists.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 263 was closed.

HOUSE BILL 264: Hearing commenced on House Bill 264. Representative Paul Pistoria, District #36, sponsor of the bill stated that the purpose of this bill is to impose a penalty of $\frac{1}{2}$ of 1 percent a day, up to a total of 15%, on a contractor who fails to pay his subcontractor within 21 days of himself receiving payment. Representative Pistoria distributed to committee members Exhibit 3, which is attached hereto.

Proponent William Belforte, representing the Sheet Metal Contractors, offered his support of House Bill 264. He stated that this bill wouldn't be offensive to any legitimate contractor. Presently interest is being disguised and added into the initial bid, added Mr. Belforte.

Proponent Riley Johnson, representing the Montana Builders Association, suggested the 21 days be amended to 30 days to coincide with a normal billing period. He feels that House Bill 264 will protect the good subcontractors in Montana.

Proponent Tom Herzig, representing the Montana Chapter of National Electrical Contractors Association and Irvin Dellinger, Executive Secretary of the Montana Building Material dealers, supplied a witness statement attached hereto, which displays their oral testimony.

In closing, Representative Pistoria added that 8 states have passed this type of legislation in 1 year.

Representative Brown asked Representative Pistoria if he had a problem with changing the 21 to 30 days. Representative Pistoria would be in agreement.

Representative Ellerd asked Mr. Johnson if a contractor is guaranteed payment. Mr. Johnson explained that most are paid through a lending institution.

There being no further discussion by proponents or opponents all were excused by the chairman and the hearing on House Bill 264 was closed.

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 22, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

State Legislatures - July 1984

Rec'd - Tues. June 26, 1984

Paul H. Peterson

StateLine

NOTE

Prompt pay laws
enacted by eight
states this year

FOR
H.B. 265

Eight states have adopted prompt pay laws this year, bringing to 35 the total with laws requiring state agencies to pay interest penalties when late paying bills to vendors. According to the Coalition for State Prompt Pay, states enacting prompt pay laws during the first five months of 1984 were Connecticut, Kansas, Kentucky, Maine, Minnesota, New York, South Dakota, and Virginia. According to Kenton Pattie, director of the Virginia-based prompt pay coalition, "Slowly but surely, we are putting a stop to late pay by states. We're doing them a favor by improving their credit rating. And we are helping the cash flow of thousands of small businesses." A federal prompt payment act was passed in 1982 and the Office of Management and Budget reports that in fiscal year 1983 late payments by federal agencies were "all but eliminated."

Attorneys share
of post based on
session calendar

Two Colorado attorneys have what may be a unique job-sharing arrangement, based on the calendar of the state General Assembly. Ann Duckett of Gunnison, a small town 250 miles southwest of Denver, and Martha Ezzard of a Denver suburb, share a single position in a Denver law firm, each working about half a year. In January, Duckett makes the trip to Denver with her husband, state Senator Mike Callihan, and works in the firm until the session ends, when the couple returns home to Gunnison. State Senator Ezzard then goes back to work in the firm as a full-time attorney, after serving in the legislature. The women find the arrangement congenial, unhampered by the fact that for about six months every year Senator Callihan, a Democrat, and Senator Ezzard, Republican Majority Caucus Chairman, sit on opposite sides of the aisle.

Personal income
hikes exceeded
'83 inflation rate

Personal income increased 5.2 percent in the U.S. during 1983, according to the U.S. Department of Commerce, exceeding the inflation rate by more than a full percentage point. Led as usual by Alaska, with an average personal income of \$16,820, and Connecticut, \$14,826, next highest states were: New Jersey, \$14,057; California, \$13,329; and New York, \$13,146. Lowest on the list and the only states with average personal incomes below \$9,000 were South Carolina, \$8,954; West Virginia, \$8,937; and Mississippi, \$8,072. Data were compiled by the Commerce Department's Bureau of Economic Analysis.

Exhibit 2
January 22, 1985
House Bill 263
Submitted by:
Rep. Pistoria

POST **kwik**® PK100R-3

REPLY MESSAGE

FORM NO. PK100R-3
AVAILABLE FROM
BUSINESS ENVELOPE MANUFACTURERS,
DEER PARK, N.Y. • ANAHEIM, CALIF.

TO Paul Pistoria
2421 Central
Great Falls MT 59401

Recd - Sat. Jan. 19, 1985
LEWIS CONSTRUCTION COMPANY
P. O. BOX 2669
GREAT FALLS, MT 59403
(406) 454-1373

SUBJECT See attached

DATE: 1-14-85

FOLD ▶ Dear Mr. Pistoria:

Mr. Lewis wanted me to send you these copies of our invoices showing
the date we sent them and the date we received payment from the City.
If you have any questions, please give me a call.

USE FOR H.B. 263

PLEASE REPLY TO ▶

SIGNED: Linda Shumate, Accounts Receivable

DATE:

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT

Paul

**KAISER
CEMENT**

①

Inv# 1112 + claim sent 10/25/83

paid 12/30/84 - \$6686.00 - 14 months

paid 1/26/84 - \$1947.73 to Pay

3 months

✓ Inv# 1289 + claim sent 2/22/83

paid 4/13/84 - 14 months to Pay

✓ Inv# 1395 + claim sent 7/11/84

paid 8/27/84 - 1 1/2 months

to Pay

Sorry it took so long to
get these to you.

WITNESS STATEMENT

Name Chip EROMAN Committee On Labor & Industry
 Address Holmen Date 1/22
 Representing MT School Bd Assoc Support _____
 Bill No. HB 263 Oppose X
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: - There doesn't appear to be a problem warranting legislation

1. - We are talking about, first, a contractual matter between the parties to a contract. If a school district and a office supplier agree to sell/buy office furniture
2. There is a provision in the contract - to provide for interest if payment is late
3. - Heavy handed approach to what is not a wide spread problem.
4. - School districts have local legislative power - if the residents of their district want them to include such a provision they will apply the pressure - and get it - on a district by district basis -
- School Districts are responsible business partners in their communities
- This legislation is not needed.

either vote them out or

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Riley Johnson Committee On BEL
Address 9 N. Last Chance - Helena Date 1-22-85
Representing NFIB Support X
Bill No. HB 263 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

we need local prompt pay bill

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

VISITOR'S REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL House Bill 263

DATE January 22, 1985

SPONSOR Representative Pistoria

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 23, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on January 23, 1985 at 8:30 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

ACTION ON HOUSE BILL 226: Representative Schultz made a motion that HB 226 DO PASS. Second was received and a roll call vote resulted in 11 members voting yes and 9 members voting no. HB 226 DO PASS.

ACTION ON HOUSE BILL 263: Representative Thomas motioned that HB 263 DO PASS. Representative Schultz felt that 30 days would be squeezing the school board. Representatives Bachini, Glaser and Thomas did agree. Representative Kadas moved that the 30 days on page 3, line 17 of the bill be stricken and 45 days inserted. The amendment did pass with all but Representative Driscoll voting yes. Representative Kadas moved that on page 4, line 8, a new subsection (6) should be inserted stating "unless otherwise agreed in the contract". Question being called for the amendment by Representative Kadas PASSED unanimously. Representative Thomas' motion that HB 263 DO PASS AS AMENDED was carried unanimously.

ACTION ON HOUSE BILL 264: Representative Kitselman made a motion that HB 264 DO PASS. Representative Kitselman moved the proposed amendments, attached hereto as Exhibit 1. Representative Schultz asked for a roll call vote. Representative Glaser asked what effect HB 264 would have on the U.S. Supreme Court Decision that stated that a contractor must have sufficient cash on hand to pay any sub-contractor, should he not get paid. Representative Glaser was concerned this might jeopardize a sub-contractor's present rights. Following discussion, it was decided that HB 264 deals with interest only. Question being called for amendments number one and two PASSED unanimously and number three PASSED with all but Representatives Ellerd and Schultz voting yes. Representative Kitselman's motion that HB 264 DO PASS AS AMENDED was carried, with all but Representatives Ellerd and Schultz voting yes..

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 23, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

Opponent Kathy Campbell, representing the Montana Association of Churches, stated that their association is against all gambling. By passing House Bill 184, it will encourage all forms of gambling. Ms. Campbell is afraid that electronic machines will come into existence with House Bill 184. Ms. Campbell proposed an amendment to House Bill 184, which was the Senate bingo bill from last session in its entirety.

Representative Schye, in closing, stated that the proceeds from bingo help to offset costs to these organizations. These centers are used for many other functions besides bingo. Bingo should not be restricted to non-profit organizations, anyone who wants to play bingo should be able to play.

Representative Ellerd asked Ms. Campbell if the reasoning for her amendment was for the sole purpose of excluding mechanical machines. Ms. Campbell answered yes.

Representative McCormick stated that the bill says "bingo cards" not "mechanical machines", he did not see where the problem was.

Representative Hansen commented that gambling laws are hard to enforce. Every city in Montana operates differently, regardless of the law.

There being no further discussion by proponents or opponents all were excused by the chairman and the hearing on House Bill 184 was closed.

ACTION ON HOUSE BILL 263: Representative Pavlovich made a motion that House Bill 263 be RECONSIDERED. Second received and the motion PASSED unanimously. Representative Kadas moved to retract his motion made on January 23, 1985 which moved all amendments except the amendment that would change the 30 days to 45 days. Second was received and PASSED unanimously. House Bill 263 DOES PASS AS AMENDED. It was discovered that the amendment proposed on January 23, 1985 which would add a new subsection (6) was redundant.

HOUSE BILL 175: Representative Kadas made a motion that House Bill 175 DO PASS. Representative Kadas moved the proposed amendments. Representative Schultz asked if the department was satisfied with the title to House Bill 175, to which the answer was yes. Question being called for, the amendments did PASS with all but Representative Bachini voting yes. Representative

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1-24-85

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

January 23

85

19

MR. **SPEAKER**

We, your committee on **BUSINESS AND LABOR**

having had under consideration **HOUSE** Bill No. **263**

first reading copy (**white**)
color

LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE ACCOUNTS

Respectfully report as follows: That **HOUSE** Bill No. **263**

BE AMENDED AS FOLLOWS:

- 1) Page 3, line 17
Following: "within"
Strike: "30"
Insert: "45"

AND AS AMENDED,

DO PASS

SECRETARY-GHILARDI, CHERYL

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REFERRED TO COMM	DATE OUT
HB0248	2/07	3/09		TABLED		
SCHE, TED			LOCAL GOVERNMENT DEPOSIT SECURITY NET WORTH TO TOTAL ASSETS RATIO			
HB0263	1/30	3/09		CONCUR AS AMENDED		3/9
PISTORIA, PAUL G.			LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE ACCOUNTS			
HB0277	3/04	3/09	3/12 3/16	CONCUR AS AMENDED		3/16
MANUEL, REX			ALLOW PRIVATE PARTIES TO RUN JAILS; EXEMPT JAILS FROM FINANCING LIMITS			
HB0299	2/09	3/09		CONCUR		3/9
EUDAILY, RALPH S.			COUNTY PRINTING - BIDS BY NONRESIDENTS - RESIDENT 5% PREFERENCE			
HB0328	2/14	3/09		TABLED		
HANNAH, TOM			SINGLE LOCAL BANK TO BID ON INTEREST PAID ON DEPOSITS OF PUBLIC FUND			
HB0333	2/12	3/05	3/07	CONCUR AS AMENDED		3/7
BRADLEY, DOROTHY			ALLOW A JP OR MUNICIPAL JUDGE TO NAME A PERSON TO ACT AS JUDGE IN HIS BEHALF			
HB0345	2/08	3/12		CONCUR		3/12
SPAETH, GARY			COMMERCE TO ADMINISTER COMMUNITY DEVELOPMENT BLOCK GRANT			
HB0379	2/13	3/12		CONCUR		3/12
GARCIA, RODNEY L.			OPTIONAL PUBLICATION REQUIREMENTS FOR COUNTY COMMISSIONERS			
HB0384	2/25	3/19		CONCUR		3/19
BERGENE, TONI R.			NO ELECTION ON ANNEXATION IF ALL PROPERTY OWNERS OF AREA SIGN PETITION			
HB0414	2/21	3/12	3/16	CONCUR		3/16
IVERSON, DENNIS			PUBLIC SAFETY COMMISSION EMPLOYEES - SALARY, WORKPERIOD, AND OVERTIME			
HB0431	2/22	3/12		CONCUR		3/12
NATHE, DENNIS G.			REQUIRE SHERIFF'S SALE TO BE POSTED & PUBLISHED 1 WEEK BEFORE SALE			

March 9, 1985

Chairman Fuller opened the hearing for questions. There were no questions from the Committee regarding HB 248.

The hearing was closed on HB 248.

CONSIDERATION OF HOUSE BILL 263: Representative Paul Pistoria, District #36, is the sponsor of this bill. The bill was introduced to require local governments and school districts to pay interest on overdue accounts. He passed out copies of a law passed in 1983 requiring local governments to pay bills within thirty days of billing. He also passed out copies of bills from Lewis Construction Company that took long periods of time to pay. The handouts are attached as Exhibit A to these minutes.

PROPONENTS

Representative Bob Bachini, District #14, spoke in favor of the bill. He distributed proposed amendments to the bill exempting third class school districts where the board of trustees does not meet monthly. The proposed amendments are attached as Exhibit B to these minutes.

Riley Johnson, representing the National Federation of Businesses, spoke in favor of the bill. He said the bill is merely an extension of the State agency "prompt payment" bill passed in 1983. He said it is difficult for school businesses to do business on a credit basis.

OPPONENTS

There were no opponents to HB 263.

Chairman Fuller opened the hearing for questions.

Senator Crippen asked if this bill would apply to Special Improvement District (SID) payments. Representative Pistoria said it would not.

The hearing was closed on HB 263.

ACTION TAKEN ON HOUSE BILL 263: Senator Eck moved the Committee adopt the proposed amendment to HB 263. The motion passed unanimously with Senator Story absent.

Senator Harding moved that HB 263 BE CONCURRED IN as amended. The motion passed unanimously with Senator Story absent. Senator Hirsch will carry the bill.

3-9-85

LOCAL GOV'T

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

STANDING COMMITTEE REPORT

MARCH 9

85

19.....

MR. PRESIDENT

We, your committee on..... **LOCAL GOVERNMENT**

having had under consideration..... **HOUSE BILL** No. **263**

THIRD reading copy (**BLUE**)
color

LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE ACCOUNTS

Respectfully report as follows: That..... **HOUSE BILL** No. **263**

be amended as follows:

1. Page 3, line 23.

Following: line 22

Insert: "(1) third class school districts where the board of
trustees does not meet monthly;"

Renumber: subsequent subsections.

AND AS AMENDED
BE CONCURRED IN

~~XXXXXX~~
DO PASS

~~XXXXXXXXXX~~
DO NOT PASS

.....
Senator Dave Fuller

Chairman.

TO
Paul Pistoria
2421 Central
Great Falls MT 59401

Rec'd - Let Jan. 19, 1985

LEWIS CONSTRUCTION COMPANY
P. O. BOX 2669
GREAT FALLS, MT 59403
(406) 454-1373

SUBJECT See attached

DATE: 1-14-85

FOLD ▶ Dear Mr. Pistoria:

Mr. Lewis wanted me to send you these copies of our invoices showing
the date we sent them and the date we received payment from the City.
If you have any questions, please give me a call.

USE FOR H.B. 263

PLEASE REPLY TO ▶

SIGNED: Linda Shumate, Accounts Receivable

DATE:

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT



FORM NO. PK100R-3
AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • DEER PARK, N.Y. • ANAHEIM, CALIF.

PRINTED IN U.S.A.

THIS COPY FOR PERSON ADDRESSED

LOT 24590



LEWIS CONSTRUCTION COMPANY

INVOICE 1112

BOX 2669

PHONE 454-1373 1025 11TH AVENUE NORTH
GREAT FALLS, MONTANA 59403

DATE 10/25/83

BILLING CODE
1 CONSTRUCTION SIGN
2 HIGHWAY CONTRACT

S	NAME <i>CITY OF GREAT FALLS</i>	S	NAME
L	ADDRESS <i>Finance Dept Civic Center</i>	H	ADDRESS
D	CITY <i>GREAT FALLS MT 59401</i>	P	CITY
T	STATE	T	STATE
O		O	

SPECIAL SHIPPING INSTRUCTIONS

1983 PAVEMENT MAINTENANCE OF 821

CUSTOMER ORDER NO.	DATE PROMISED	☐ CASH ☐ C.O.D.	F.O.B.	TERMS	BILLING CODE 1 2 3 4
		☐ CHARGE ☐ CREDIT			

QUANTITY	DESCRIPTION	PRICE	AMOUNT	COST	AMOUNT
1	<i>PAID IN 2 payments</i>				
2	<i>original total invoice</i>				
3	<i>attached - invoice #1217 -</i>				
4	<i>Took 14 months to pay</i>				
5	<i>attached - invoice #1226 -</i>				
6	<i>Took 3 months to pay</i>				
7					
8					
9					
10					
11					
12					
13					
FOR:		TOTAL	\$		

THIS SLIP MUST ACCOMPANY
ALL CLAIMS AND RETURNED GOODS

City of GREAT FALLS Montana

TELEPHONE 406/727-5881
EXT. 341

CLAIM VOUCHER

SIGN CLAIM BELOW--ATTACH INVOICE--AND RETURN PROMPTLY FOR PAYMENT

TO:

RETURN TO: City of Great Falls
FINANCE DEPT.
Civic Center
Great Falls, MT. 59401

LEWIS CONSTRUCTION
P.O. Box 2669
GREAT FALLS, MONTANA 59403

DATE	VENDOR NO.		UNIT PRICE	AMOUNT
1/25/83	OFFICE FILE # 821			
QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
3500	LF	4" YELLOW THERMOPLASTIC	.60LF	5100.00
730	LF	6" YELLOW THERMOPLASTIC	.80LF	584.00
910	LF	4" WHITE THERMOPLASTIC	.60LF	546.00
2050	LF	6" WHITE THERMOPLASTIC	.80LF	1640.00
		CHANGE ORDER #1 TO REPLACE HYDRO CARBON THERMOPLASTIC WITH ALKYD THERMOPLASTIC	L.5	2000.00
		TOTAL		\$9870.00
		LESS 10%		987.00
		SUB TOTAL		\$8883.00
		PREV PAYMENT		60.00
		SUB TOTAL		\$8883.00
		LESS 10%		88.83
		TOTAL DUE ESTIMATE #1		\$8794.17
ACCOUNT NO.			TOTAL	\$8794.17

NOTICE: Under RCM 1947, § 11-1301—Claims must be presented with all necessary and proper vouchers, within one (1) year from the date the same accrued; and any claim or demand not so presented within the time aforesaid is forever barred, and the city commission has no authority to allow any account or demand not so presented.

I CERTIFY THAT THIS CLAIM IS CORRECT AND JUST
IN ALL RESPECTS AND THAT PAYMENT OR CREDIT
HAS NOT BEEN RECEIVED.

VENDOR SIGNATURE

Walter Wilman

PISTORIA
HB 263

830

831

DISBURSEMENT AND EXPENDITURE

17-8-242

state once rejected by it or by the legislature unless such facts are presented to the board as in suits between individuals would furnish sufficient ground for granting a new trial.

(2) No member of the board may act on any claim in which he is interested or for expenditures incurred in his office or he present when the decision is made.

History: (1) En. Sec. 241, Rev. C. 1907; re-en. Sec. 247, R.C.M. 1921; re-en. Sec. 247, R.C.M. 1935; R.C.M. Sec. 82-1118, R.C.M. 1947; (2) En. Sec. 240, Rev. C. 1907; re-en. Sec. 246, R.C.M. 1921; re-en. Sec. 246, R.C.M. 1935; amd. Sec. 10, Ch. 61, L. 1977; Sec. 82-1117, R.C.M. 1947; R.C.M. 1947, 82-1117, 82-1118.

Cross-References

Ethical principles for public officers and employees, 2-2-105.

17-8-226. Appeals. Any person interested who is aggrieved by the disapproval of a claim by the board may appeal from the decision to the legislature by filing with the board a notice thereof, and upon the receipt of such notice the board must transmit the demand and all the papers accompanying the same, with a statement of the evidence taken before it, to the legislature.

History: En. Sec. 242, Rev. C. 1907; re-en. Sec. 248, R.C.M. 1921; re-en. Sec. 248, R.C.M. 1935; R.C.M. 1947, 82-1119.

17-8-227 through 17-8-230 reserved.

17-8-231. Liability for false claims. (1) A person who knowingly presents or causes to be presented a false, fictitious, or fraudulent claim for allowance or payment to any state agency or its contractors forfeits the claim, including any portion that may be legitimate, and in addition is subject to a penalty of not to exceed \$2,000 plus double the damages sustained by the state as a result of the false claim, including all legal costs.

(2) The forfeiture and the penalty may be sued for in the same suit.

History: En. Sec. 2, Ch. 151, L. 1981.

Cross-References

False claims to public agencies -- criminal offense, 45-7-210.

17-8-232 through 17-8-240 reserved.

17-8-241. Definitions relating to interest assessment. As used in 17-8-242 through 17-8-244, the following definitions apply:

(1) "Services" means the furnishing of labor, time, or effort, including construction services, purchased or contracted for by the state or any agency thereof.

(2) "Supplies" means all personal property purchased, leased, or contracted for by the state or any agency thereof, including leases of equipment. The term also includes leases of buildings or other real property by the state or any agency thereof.

History: En. Sec. 1, Ch. 484, L. 1983.

17-8-242. Interest assessed on amounts due. (1) Except as provided in 17-8-244, a state agency shall pay simple interest at the rate of

LOCAL GOVERNMENT COMMITTEE
MARCH 9, 1985
EXHIBIT A

0.05% each day on amounts due for supplies and services received if the agency fails to make timely payment.

- X (2) For purposes of this section, payment is timely if a warrant is mailed or is otherwise made available to the payee when due and for the amount specified in the applicable contract or agreement. If no date is specified in the applicable contract or agreement, payment is timely if paid within 30 days after receipt of a properly completed invoice, addressed to the payer agency, or receipt of the supplies or services by the agency, whichever is later.

History: En. Sec. 2, Ch. 484, L. 1983.

17-8-243. Source for payment of interest. Any interest owing under 17-8-242 must be paid from funds designated for administrative costs of the agency receiving the supplies and services unless the delay was caused by a different agency, and then the interest must be paid from the administrative costs of that agency.

History: En. Sec. 4, Ch. 484, L. 1983.

17-8-244. Exemptions. Section 17-8-242 does not apply to the following:

- (1) interagency or intergovernmental transactions;
- (2) claims subject to a good faith dispute;
- (3) delinquencies due to natural disasters, disruptions in postal or delivery service, work stoppage due to labor disputes, power failures, or any other cause resulting from circumstances clearly beyond the control of the payer agency;
- (4) contracts entered into before October 1, 1983;
- (5) wages due and payable to state employees or payments from any state retirement system created pursuant to Title 19; or
- (6) claims submitted to the state or to its fiscal intermediary by providers of supplies or services under the Montana medicaid or workers' compensation program if reasonable cause for nonpayment exists.

History: En. Sec. 3, Ch. 484, L. 1983.

Part 3

Warrants

Part Cross-References

Officers prohibited from dealing in warrants,
2-2-204.

Use of facsimile signature on warrants,
2-16-114.

Warrants to Fire Department Relief Association,
19-11-514.

17-8-301. State moneys — how expended by treasurer. Except as herein provided, no moneys received by the state treasurer shall be paid out by him except upon state warrant issued by the state auditor, and the state auditor shall not issue his warrant upon the state treasurer except upon a claim duly approved by the department of administration in accordance with the laws governing the expenditure of state moneys; however, interest and principal on the public debt may be paid by treasurer's check from the moneys pledged for such payment, and the provisions of this section shall not



LEWIS CONSTRUCTION COMPANY

INVOICE 1211

BOX 2669

PHONE 454-1373 1025 11TH AVENUE NORTH
GREAT FALLS, MONTANA 59403

DATE 12/30/83

1 CONSTRUCTION SIGN
2 HIGHWAY CONTRACT

BILLING CODE

S NAME City of Great Falls
L ADDRESS
D CITY STATE
T CITY STATE
OS NAME
H ADDRESS
I CITY STATE
P CITY STATE
T CITY STATE
O

679-L

SPECIAL SHIPPING INSTRUCTIONS

Cr. Memo - Est # 1

CUSTOMER ORDER NO.	DATE PROMISED	☐ CASH ☐ CHARGE	☐ C.O.D. ☐ CREDIT	F.O.B.	TERMS	BILLING CODE 1 2 3 4	
QUANTITY	DESCRIPTION			PRICE	AMOUNT	COST	AMOUNT
1	Cash rec'd on Inv # 1112			\$	6686.00		
2							
3							
4							
5							
6	City of G. F.						
7	1983 Pavement Marking Contract						
8	Took 14 months to pay						
9							
10							
11							
12							
13							
FOR:				TOTAL \$			

THIS SLIP MUST ACCOMPANY
ALL CLAIMS AND RETURNED GOODS

FOR H.B. 263

CITY OF GREAT FALLS
CIVIC CENTER
GREAT FALLS, MONTANA 59401

2004

WARRANT
NO. 29031

DATE 12/28/83

56,686.06

*****SIX*THOUSAND*SIX*HUNDRED*EIGHTY*SIX*DOLLARS*AND*06*CENTS*****

ORDER OF
LEWIS CONSTRUCTION CO

P O BOX 2669

GREAT FALLS

MT 59403

Shirley A. Kintz

Shirley A. Kintz
MANAGER OR CLERK

CITY MANAGER OR FINANCE DIRECTOR

092100154 5004801212

Rec'd 12/30/83 J. 679



LEWIS CONSTRUCTION COMPANY

INVOICE 1226

BOX 2669

PHONE 454-1373 1025 11TH AVENUE NORTH
GREAT FALLS, MONTANA 59403

DATE

1/26/84

BILLING CODE
1 CONSTRUCTION SIGN
2 HIGHWAY CONTRACT

S	NAME	S	NAME
L	ADDRESS	H	ADDRESS
D		I	
T	CITY	P	CITY
O	STATE	O	STATE

679-L

SPECIAL SHIPPING INSTRUCTIONS

Est # 2

CUSTOMER ORDER NO.	DATE PROMISED	☐ CASH	☐ C.O.D.	F.O.B.	TERMS	BILLING CODE	
		☐ CHARGE	☐ CREDIT			1	2 3 4
QUANTITY	DESCRIPTION	PRICE	AMOUNT	COST	AMOUNT		
1	2186.00 Est Eared		9690.00				
2	218.00 Less Retainage		969.00				
3	Bal		8721.00				
4	19.67 Less 1% 9% Acc Tax		87.21				
5	Less Prev. Payments		6686.06				
6	Am't Rec'd this Est.		<u>\$1947.73</u>				
7							
8	① CR Inv write off to acct # 5795 - \$87.21						
9	② CR applied to Inv # 1219 - \$1947.73						
10	③ ST - (R) Retainage acct # 1125		969.00				
11	(H) ④ ST - Cr Memo - Inv 1219		969.00				
12	(E) ⑤ ST Cr Memo - Inv 1219		180.00				
13							
FOR:	Art. 21847 1983 Pavement Marking Center	TOTAL	\$				

THIS SLIP MUST ACCOMPANY
ALL CLAIMS AND RETURNED GOODS

Took 3 months to Pay

LOCAL GOVERNMENT COMMITTEE
MARCH 9, 1985
EXHIBIT B

Amend HB 263 as follows:

1. Page 3, line 23.

Following: ~~Line~~ 22

Insert: "(1) ^{does} third class school districts where the board of
trustees ~~do~~ not meet monthly;"

Renumber; subsequent subsections.

Adopted 3/9/85